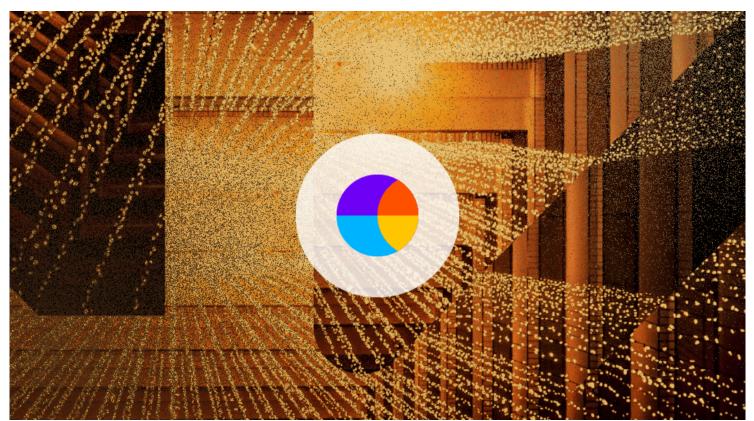
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Case #146-2023: Administrative Closure – Enzacta USA

BBB NATIONAL PROGRAMS

Direct Selling Self-Regulatory Council Case #146-2023: Administrative Closure – Enzacta USA

Company Description

Enzacta USA ("Enzacta or the "Company") is a direct selling company that sells nutritional and wellness products. The Company is headquartered in Cheyenne, Wyoming and was founded in 2003.

Basis of Inquiry

The Direct Selling Self-Regulatory Council ("DSSRC") is a national advertising self-regulation program administered by BBB National Programs. This inquiry was commenced by DSSRC pursuant to its ongoing independent monitoring of product and income claims in the direct selling industry.

This inquiry included four earnings claims and five product performance claims. DSSRC was concerned that the representative claims below communicated the message that Company salesforce members can generally expect to earn significant income from the Enzacta business opportunity and that the Company's products are efficacious in addressing serious health-related conditions. The social media posts were disseminated on Facebook and YouTube and one claim at issue appeared on the Enzacta website.

The claims identified by DSSRC in this inquiry were as follows:

Earnings Claims

- "

 Unleash Your Financial Freedom with ENZACTA!

 "
 "
- "ENZACTA has a unique MDM business model because it serves people's needs: a good income, health, and legacy for the next generation." 1

Product Performance Claims

- "reduce and reverse insulin resistance"
- · "Added protection against chronic illnesses."
- "This company offers nutrients to feed our cellular batteries, oxygenate us and help defend against virus"
- "reduces glucose tolerance in people predisposed to diabetes"
- "Lupus; Arthritis; Osteoporosis; Psoriasis; Ulcerative Colitis; Crohn's Disease"

Company's Position

Following its receipt of the DSSRC inquiry, Enzacta immediately began reaching out to the salesforce members responsible for the social media posts to request that the claims be removed or modified.

The Company efforts resulted in the removal or significant modification of seven of the nine posts at issue.

With respect to the remaining YouTube claim stating that "This company offers nutrients to feed our cellular batteries, oxygenate us and help defend against virus," Enzacta informed DSSRC that it submitted a trademark violation claim with YouTube and was optimistic that the platform would work expeditiously to block public accessibility to the post.

Regarding the claim on the Company website stating that Enzacta's PXP Royale product provides "Added protection against chronic illnesses," the Company advised DSSRC that it is committed to update its website to remove the representation.

The Company also advised DSSRC that it had contacted the providers of the content in all of the posts identified by DSSRC in this inquiry to educate its salesforce members on inappropriate and unacceptable product and income claims.

Administrative Closure

DSSRC appreciated the good faith actions taken by Enzacta to address its concerns. It was also determined that Enzacta's efforts to remove or significantly modify the claims in question were necessary and appropriate.

Section 6 of DSSRC's Guidance on Earnings claims for the Direct Selling Industry states that "While DSSRC will evaluate any claim based upon the context in which the claim appears and the potential net impression of such claim to the audience some words and phrases are prohibited when made to a general audience of prospective or current salesforce members ... [s]ome words or phrases carry a particularly high risk of being misleading to consumers when communicated in a general context. Such words and phrases include but are not limited to 'financial freedom,' and 'time freedom'". DSSRC recognized the efforts of Enzacta to remove all of the "financial freedom" claims that were the subject of this inquiry and its commitment to advise its salesforce members to refrain from using the claim in a general context in future social media posts.

Similarly, DSSRC agreed with the Company's efforts to address DSSRC's concerns regarding the health-related product claims at issue. As noted in the Federal Trade Commission's (FTC) 2022 Health Products Compliance Guidance, the FTC's substantiation standard is a rigorous one, particularly when claims relate to health. The FTC has more specifically defined its standard for health-related claims as "tests, analyses, research, or studies that (1) have been conducted and evaluated in an objective manner by experts in the relevant disease,

condition, or function to which the representation relates; and (2) are generally accepted in the profession to yield accurate and reliable results." In addition, the FTC requires that the research must be "sufficient in quality and quantity based on standards generally accepted in the relevant scientific fields, when considered in light of the entire body of relevant and reliable scientific evidence, to substantiate that the representation is true."

In the absence of reliable competent scientific evidence to support the health-related claims at issue, DSSRC agreed that Enzacta took the appropriate action to facilitate removal of the product performance claims that were communicated by its salesforce members.

Although DSSRC remain concerned with the remaining claim on the Company's website that references "Added protection against chronic illnesses," the Company has given its assurance that the claim will be promptly removed from the PXP Royale product page on the Enzacta website.

Based upon the Company's good faith actions to remove or significantly modify seven of the nine claims that were brought to its attention by DSSRC, its submission of a trademark violation with YouTube and its commitment to remove the remaining claim at issue from the Company website, DSSRC administratively closed its inquiry.

Company Statement

Enzacta declined to provide a Company Statement to this report. Considering that all but two of the social media posts in question have been satisfactorily resolved, DSSRC determined that it would not be a prudent expenditure of resources to refer this matter to either the Federal Trade Commission or the Wyoming Attorney General's office at this time. Rather DSSRC will continue to monitor the claims being disseminated by Enzacta salesforce members and commence a compliance inquiry in accordance with the DSSRC Policies & Procedures should future unsupported claims come to our attention.

(Case #146-2024, closed on 01/29/24) © 2024 BBB National Programs.

- [1] This claim was identified by DSSRC in four separate social media posts.
- [2] See Section III(B) of the FTC Health Products Compliance Guidance at https://www.ftc.gov/business-guidance/resources/health-products-compliance-guidance page 11.

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